



IOWA FINANCE AUTHORITY BOARD MEETING MINUTES

**Iowa Finance Authority Presentation Room
2015 Grand Avenue
Des Moines, Iowa**

April 2, 2008

Board Members Present

Roger Caudron, Vice Chair
Carmela Brown, Treasurer
Steven Adams (via telephone)

Heather Armstrong
Virginia Bordwell
Douglas Walter

Staff Members Present

Bret Mills, Executive Director
Lori Beary, Community Development
Director
Irene Hardisty, Director of Single-Family
Production
Steven Harvey, Director of Operations
Craig Johnson, Underwriter
Joseph Jones, Director of Governmental
Affairs
Shawna Lode, Communications Director
Susan Mock, Administrative Assistant

Loyd Ogle, Director of Title Guaranty
Division
Joe O'Hern, Director of HousingIowa
Carla Pope, Director of Affordable Rental
Production
Terri Rosonke, Affordable Assisted Living
Coordinator
James Smith, Deputy Director/CFO
Mark Thompson, General Counsel
Nancy Wallis, Administrative Assistant

Others Present

Kristi Boyce – Wells Fargo Bank Iowa, NA
Bob Burns – BurnsHousing.com
Jim Conlin – Conlin Properties
Joni DeVries - Wells Fargo Bank Iowa, NA
Steve Ferguson – Bankers Trust

David Grossklaus – Dorsey & Whitney
Law Firm
Lee Hill – Iowa Department of
Management
Linda Kniep – Ahlers & Cooney Law Firm
Kyle Rice – State Treasurer's Office

Call to Order

Vice Chair Caudron called to order the April 2, 2008, regular monthly meeting of the Iowa Finance Authority (IFA) Board of Directors at 10:58 a.m. Roll call was taken and a quorum was established with the following members present: Adams, Armstrong, Bordwell, Brown, Caudron and Walter.

Vice Chair Caudron announced that Ms. Kay Anderson had passed away unexpectedly early in March. He said she had been IFA's Board Chair and an Economic Development Professional in northwest Iowa, and would be greatly missed. Vice Chair Caudron asked those in the room to honor Ms. Anderson with a moment of silence to remember her and her family during this time.

Ms. Bordwell thanked Board and staff members who attended Ms. Anderson's funeral on behalf of those not able to attend. Mr. Caudron also expressed thanks to those who attended and said it meant a lot to the family to have so many representing IFA.

Review of Minutes

March 5, 2008, Board Meeting

Vice Chair Caudron introduced the minutes of the March 5, 2008, regular monthly meeting of the IFA Board of Directors.

Motion: On a motion by Ms. Bordwell and a second by Mr. Walter, the Board unanimously approved the minutes of the March 5, 2008, Board meeting.

March 6, 2008, Board Meeting

Vice Chair Caudron introduced the minutes of the March 6, 2008, special telephonic meeting of the IFA Board of Directors.

Ms. Bordwell said she would abstain from voting because she did not participate in the meeting.

Motion: On a motion by Ms. Armstrong and a second by Ms. Brown, a vote was taken with the following results: YES – Adams, Armstrong, Brown, Caudron and Walter; NO – None; ABSTAIN – Bordwell, due to the reason previously noted. On a majority vote, the Board approved the minutes of the March 6, 2008, Board meeting.

Administration

SUMMARY & OVERVIEW

Mr. Mills announced that the Iowa Mortgage Help initiative is progressing well and that the counseling agencies are staying busy fielding phone calls.

Mr. Mills also reported that the issues with Osada Apartments are reaching a conclusion and should be finalized before the May Board meeting.

ACCOUNTING & FINANCE

Review of February Financial Statement

Mr. Harvey presented the February financial statement, noting that as a housing agency, IFA's year-to-date revenue is \$382,740 favorable to budget, and year-to-date expenses are \$640,825

unfavorable to budget, making the year-to-date operating income unfavorable to budget by \$258,085. He summarized specific points of the report, explaining why various funds have shown an increase or decrease recently.

Mr. Harvey stated that the State Revolving Fund (SRF) year-to-date operating income is unfavorable to budget, mostly because the 2007 Cap Grants are not yet available to draw.

Mr. Harvey reported that IFA staff members are working on a forecast and budget for FY09 to present to the Board at the May meeting.

Motion: On a motion by Ms. Brown and a second by Ms. Bordwell, the Board unanimously accepted the February financial statement.

LEGISLATIVE

Mr. Jones announced that the HUD Secretary resigned earlier in the week. He also noted that Congress returned from recess and is currently working on a compromise bill to address the housing market crisis.

Mr. Jones distributed a summary of the *Affordable Housing Investment Act of 2008, S. 2666*. He discussed certain aspects of the legislation.

Mr. Jones also briefly summarized the legislation that is being tracked on the state level, based on the update he distributed to the Board prior to the meeting.

COMMUNICATIONS

Ms. Lode reported that IFA hosted a successful second annual funnel cake day in the Capitol rotunda on March 24, 2008. She said IFA had a chance to visit with many legislators. Ms. Lode explained IFA's marketing plan for the Iowa Mortgage Help initiative, including advertisements in 179 newspapers around the state beginning April 7, 2008, as well as posters and brochures to be sent to 2,500 Iowa nonprofit organizations.

Ms. Lode announced that the joint brand with the Iowa Department of Natural Resources for the State Revolving Fund (SRF) should be finalized by the first week in May.

ECONOMIC DEVELOPMENT PROGRAM

ED Loan #06-08, Iowa Health System Project

Ms. Beary introduced an amending resolution for \$460,000,000 of Iowa Finance Authority Healthcare Facility Revenue Bonds for Iowa Health System. She said the original resolution was for \$150,000,000 to be used for capital improvements of its facilities, but the new application increases the amount of bonds to \$460,000,000. Ms. Beary stated the bonds will be used to refund prior bonds and for the acquisition, construction and equipping of a new acute care hospital in West Des Moines and for expansion of current hospital facilities in Fort Dodge. She noted the project will not require Private Activity Bond Cap.

Motion: Ms. Bordwell made a motion to approve the resolution amending Resolution No. 06-08A in order to increase the principal amount of the Bonds to \$460,000,000 and to amend the project description. On a second by Ms. Brown, the Board unanimously approved Resolution #06-08A-1.

ED Resolution #08-01, Park Apartments L.P. Project

Ms. Beary introduced an application and inducement resolution for \$4,600,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds for the Park Apartments L.P. Project in Davenport. She stated the bonds will be used to construct a 70-unit affordable townhome development for families. Ms. Beary said the project will require Private Activity Bond Cap.

Motion: Mr. Walter made a motion to adopt the resolution approving an application for \$4,600,000 of Iowa Finance Authority Multifamily Housing Revenue Bonds (Park Apartments L.P. Project), Series 2008, for Park Apartments L.P. (the “Borrower”), and evidencing the intent to proceed with the issuance of \$4,600,000 Multifamily Housing Revenue Bonds. On a second by Ms. Armstrong, the Board unanimously adopted Resolution #08-01A.

ED Resolution #08-02, Drake University Project

Ms. Beary introduced an application and authorizing resolution for \$42,800,000 of Iowa Finance Authority Variable Rate Demand Private College Facility Revenue Refunding Bonds for Drake University in Des Moines. She noted the bonds will be used to refund 2005 bonds to reduce interest costs and allow the borrower to leave the auction rate securities market. Ms. Beary said the project will not require Private Activity Bond Cap.

Motion: Ms. Brown made a motion approving an application and authorizing the issuance of not to exceed \$42,800,000 of Iowa Finance Authority Variable Rate Demand Private College Facility Revenue Refunding Bonds (Drake University Project), Series 2008, for the purpose of making a loan to assist the Borrower in refunding existing bonds of the Authority; authorizing the execution and delivery of certain financing documents pertaining to the refunding; authorizing an assignment of certain financing documents for further securing the payment of the bonds; authorizing the sale of the bonds; authorizing the appointment of a trustee; and related matters. On a second by Ms. Bordwell, the Board unanimously approved Resolution #08-02B.

ED Resolution #08-03, Mercy Medical Center, Cedar Rapids Project

Ms. Beary introduced an application for \$130,000,000 of Iowa Finance Authority Hospital Facility Revenue and Refunding Bonds for Mercy Medical Center, Cedar Rapids Project. She reported the bonds will be used to renovate the lab and emergency room, build a parking ramp and expand the imaging department, along with various other equipment and renovation needs, and to refund 2003 and 2005 bonds. Ms. Beary said the project will not require Private Activity Bond Cap.

Ms. Brown said she would abstain from discussing and voting on this project because she represents Mercy Hospitals in Des Moines, which could appear to be a conflict of interest.

Motion: Ms. Armstrong made a motion approving an application for \$130,000,000 of Iowa Finance Authority Hospital Facility Revenue and Refunding Bonds (Mercy Medical Center, Cedar Rapids Project), Series 2008, for Mercy Medical Center, Cedar Rapids (the “Borrower”), and evidencing the intent to proceed with the issuance of \$130,000,000 Hospital Facility Revenue and Refunding Bonds. On a second by Mr. Adams, a vote was taken with the following results: YES – Adams, Armstrong, Bordwell, Caudron and Walter; NO – None; ABSTAIN – Brown, due to the possible appearance that there could conflict of interest as previously noted. On a majority vote, the Board approved Resolution #08-03A.

ED Loan #07-27, Acciona Windpower North America, LLC Project

Ms. Beary asked the Board to hold a public hearing regarding the issuance of an amount not to exceed \$10,000,000 of Iowa Finance Authority Industrial Development Revenue Bonds for the Acciona Windpower North America, LLC Project in West Branch located in Cedar County. She stated the bonds will be used to finance the construction of a 200,000-square-foot wind turbine generator assembly plant. Ms. Beary reported that the project has an allocation of Private Activity Bond Cap. She said the Board adopted the inducement resolution September 12, 2007.

Public Hearing: Vice Chair Caudron opened the public hearing at 11:30 a.m. regarding the issuance of an amount not to exceed \$10,000,000 of Iowa Finance Authority Industrial Development Revenue Bonds for the Acciona Windpower North America, LLC Project in West Branch located in Cedar County. Ms. Beary said IFA had received no written or verbal comments regarding the project. There being no comments from the audience, Vice Chair Caudron closed the public hearing at 11:31 a.m.

HousingIowa

AFFORDABLE RENTAL PRODUCTION PROGRAMS

Resolution – State Housing Trust Fund Project-Based Housing Program Awards

Ms. Rosonke reported that IFA received a total of 16 eligible applications for the FY 2008 State Housing Trust Fund Project-Based Housing Program, which had an open window application time beginning November 28, 2007. She said the resolution currently under consideration recommends awards of \$595,000 to eight applicants. Ms. Rosonke noted that if approved, the total funding awarded thus far for the program would be just over \$1 million.

Motion: On a motion by Mr. Adams and a second by Ms. Armstrong, the Board unanimously approved the resolution awarding Project-Based Housing Program grants to the recipients and in the amounts listed on Exhibit A of the resolution.

Title Guaranty Division (TG)

Mr. Ogle reported that the TG Board met in late March and recommended that the IFA Board notice rules for the Mortgage Release Program and the Closing Protection Letters Program after the Legislature approves both during the current session. He also announced that he expects to have a contract signed soon with Stewart Title as TG's reinsurer. Mr. Ogle said TG should be ready to roll out the full commercial product by May 1, 2008.

Mr. Ogle stated the TG Board approved a transfer of \$135,000 from TG to IFA's housing programs.

Motion: On a motion by Mr. Adams and a second by Mr. Walter, the Board unanimously accepted the transfer of funds from TG to IFA's housing programs.

Water Quality Programs

Resolution – Wastewater Treatment Financial Assistance Program (WTFAP) Awards

Ms. Beary reported that this is the third round of awards for the WTFAP. She reminded the Board that these are state grants to communities to assist with upgrades to their wastewater treatment systems due to changes in water quality standards adopted by the Department of Natural Resources in 2006. Ms. Beary said the program received an appropriation of \$4 million

in FY06 and another \$4 million in FY07, allocated at the rate of \$1 million each quarter. She noted the funds must be awarded quarterly.

Ms. Beary announced that IFA received 15 applications requesting \$9,567,411 for this funding round, for which there is \$1,617,975 to award. She referred to the list of recommended projects included in the Board materials.

Motion: Ms. Brown made a motion to authorize the funding of the Wastewater Treatment Financial Assistance Program grants to the communities and in the amounts set forth in “Exhibit A” of the resolution. On a second by Ms. Bordwell, the Board unanimously approved the resolution.

Miscellaneous Items

Receive Comments from General Public

Vice Chair Caudron opened the public comment period and asked if anyone in the audience would like to address the Board.

There being no audience members wishing to address the Board, Vice Chair Caudron closed the public comment period.

Vice Chair Caudron said the next regular monthly meeting would be held at 10:45 a.m. on May 7, 2008, in IFA’s Presentation Room.

Adjournment

There being no further business, on a motion by Ms. Armstrong and a second by Mr. Walter, the April 2, 2008, meeting of the IFA Board of Directors adjourned at 11:48 a.m.

Dated this 7th day of May 2008.

Respectfully submitted:

Approved as to form:

Bret L. Mills
Executive Director
Iowa Finance Authority

Roger J. Caudron, Vice Chair
Iowa Finance Authority